

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
SOUTHERN DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

v.

Case No.

**2020 LEXUS RX350, VEHICLE
IDENTIFICATION NUMBER:
2T2HZMDA4LC241116, AND**

**2020 FORD TRANSIT VAN, VEHICLE
IDENTIFICATION NUMBER:
NM0LS7E21L1464162, AND**

**2020 JEEP WRANGLER, VEHICLE
IDENTIFICATION NUMBER:
1C4HJXFGXLW312762, AND**

**2018 CADILLAC CT6, VEHICLE
IDENTIFICATION NUMBER:
1G6KB5RS4JU124354, AND**

**2021 SUBARU OUTBACK, VEHICLE
IDENTIFICATION NUMBER:
4S4BTAFC7M3207427, AND**

**2020 FORD TRANSIT VAN, VEHICLE
IDENTIFICATION NUMBER:
NM0LS7E26L1468417, AND**

**2021 GALEON 470SKY YACHT, HULL
IDENTIFICATION NUMBER:
GLN47015A121, AND**

**LADIES' PLATINUM "ROYALT"
ETERNITY BAND MADE BY TACORI,
ITEM NUMBER: 180360-005, AND**

**LADIES' STERLING SILVER CABLE
CUFF BRACELET WITH PEARL END
CAPS MADE BY DAVID YURMAN,
ITEM NUMBER: B04182 SSDPEDI, AND**

**LADIES' STERLING SILVER CABLE
CUFF BRACELET WITH BLUE TOPAZ
END CAPS MADE BY DAVID YURMAN,
ITEM NUMBER: B04182 SSABTDIM,
AND**

**SEVEN-INCH WHITE GOLD DIAMOND
BRACELET FEATURING ROUND
BRILLIANT CUT DIAMONDS WITH A
TOTAL DIAMOND WEIGHT OF 0.25
CT, AND**

**PAIR OF 18-KARAT WHITE GOLD,
THREE-PRONG/MARTINI STYLE
ROUND BRILLIANT CUT DIAMOND
(J/K COLOR, SI CLARITY) STUD
EARRINGS WITH A TOTAL DIAMOND
WEIGHT OF 1.00 CT., AND**

**TWO-TONE ROLEX DATEJUST 36MM
OYSTER STEEL CASE WITH WHITE
FACE AND ROSE GOLD MARKERS
AND 18K EVEROSE FLUTED BEZELS,
MODEL NUMBER: 72801, SERIAL
NUMBER: 931C8733, AND**

**OYSTER PERPETUAL ROLEX
PRESIDENT'S 18KT GOLD WITH A
CHAMPAIGN DIAL, MODEL NUMBER:
69178, SERIAL NUMBER: 9155671, AND**

**1952 TOPPS #312 JACKIE ROBINSON –
PSA PR1, AND**

**1980-81 TOPPS LARRY BIRD, JULIUS
ERVING AND MAGIC JOHNSON
SIGNED BY ALL 3, PSA AUTHENTICA,
PSA/DNA, AND**

**1909-1911 TY COBB PORTRAIT,
WHITE BORDER, RED BACKGROUND
BASEBALL CARD, AND**

**2015-16 PANINI IMMACULATE
COLLECTION “TRIO AUTOGRAPHS”
#25 LARRY BIRD, MAGIC JOHNSON,
JULIUS ERVING.**

Defendants.

COMPLAINT FOR FORFEITURE *IN REM*

The Plaintiff, United States of America, by its attorneys, Teresa A. Moore, United States Attorney for the Western District of Missouri, and Anthony Brown, Assistant United States Attorney, brings this complaint and alleges as follows in accordance with Supplemental Rule G(2) of the Federal Rules of Civil Procedure.

NATURE OF THE ACTION

1. This is an action to forfeit property to the United States for violations of 18 U.S.C. § 981(a)(1)(A) and 18 U.S.C. § 981(a)(1)(C).

THE DEFENDANTS *IN REM*

2. The following Defendant properties were seized on September 13, 2022 from various locations throughout the Western District of Missouri by agents of the Internal Revenue Service:

- a. A 2020 Lexus RX350, Vehicle Identification Number (VIN): 2T2HZMDA4LC241116, seized from Vi Annette Obert in Springfield, Missouri;
- b. A 2020 Ford Transit Van, bearing VIN NM0LS7E21L1464162, seized from Taco Habitat in Springfield, Missouri;
- c. A 2020 Jeep Wrangler Rubicon, VIN 1C4HJXFGXLW312762, seized from Jason and Sara Bucher in Branson, Missouri;
- d. A 2018 Cadillac CT6, VIN 1G6KB5RS4JU124354, seized from Mary Felts in Walnut Shade, Missouri;

- e. A 2021 Subaru Outback, VIN 4S4BTAFC7M3207427, seized from Kenny Felts in Branson, Missouri;
- f. A 2020 Ford Transit Van, VIN NM0LS7E26L1468417, seized from Hot Clucker in Springfield, Missouri;
- g. A 2021 Galeon 470SKY Yacht, Hull Identification Number GLN47015A121; seized from 470 Sky LLC, in Branson, Missouri;
- h. Ladies' Platinum "RoyalT" Eternity Band made by Tacori, Item Number: 180360-005, seized from John Michael Felts at his residence in Springfield, Missouri;
- i. Ladies' Sterling Silver Cable Cuff Bracelet with Pearl End Caps made by David Yurman, Item Number: B04182 SSDPEDI, seized from John Michael Felts at his residence in Springfield, Missouri;
- j. Ladies' Sterling Silver Cable Cuff Bracelet with Blue Topaz End Caps made by David Yurman, Item Number: B04182 SSABTDIM, seized from John Michael Felts at his residence in Springfield, Missouri;
- k. Seven-inch white gold diamond bracelet featuring round brilliant cut diamonds with a total diamond weight of 0.25 CT, seized from John Michael Felts at his residence in Springfield, Missouri;
- l. Pair of 18-Karat white gold, three-prong/martini style round brilliant cut diamond (J/K color, SI clarity) stud earrings with a total diamond weight of 1.00 CT, seized from John Michael Felts at his residence in Springfield, Missouri;
- m. A Two-Tone Rolex Datejust 36mm oyster steel case with white face and rose gold markers and 18 karat everose fluted bezels, model Number: 72801, Serial Number: 931C8733, seized from John Michael Felts at his residence in Springfield, Missouri;
- n. An Oyster Perpetual Rolex President's 18kt gold with a champagne dial, Model Number: 69178, Serial Number: 9155671, seized from John Michael Felts at his residence in Springfield, Missouri;

- o. A 1952 Topps #312 Jackie Robinson “PSA PR1” baseball card, seized from John Michael Felts at his residence in Springfield, Missouri;
- p. A 1980-81 Topps Larry Bird, Julius Erving, and Magic Johnson collectors card, signed by all three, authenticated “PSA/DNA”, seized from John Michael Felts at his residence in Springfield, Missouri;
- q. A 1909-1911 Ty Cobb Portrait, White Border, Red Background, baseball card, seized from John Michael Felts at his residence in Springfield, Missouri;
- r. A 2015-16 Panini Immaculate Collection “Trio Autographs” #25 Larry Bird, Magic Johnson, Julius Erving collectors card, seized from John Michael Felts at his residence in Springfield, Missouri.

3. The Defendant Properties have been seized by Special Agents of the Internal Revenue Service-Criminal Investigations Division, pursuant to seizure warrants issued under 21 U.S.C. § 853(f) and 18 U.S.C. § 982(b)(1), and 18 U.S.C. §§ 981(b) and 984, signed by a U.S. Magistrate Judge on or about September 1, 2022 and September 2, 2022 and executed on or about September 13, 2022. The Defendant Properties are currently in the custody of the Internal Revenue Service.

JURISDICTION AND VENUE

4. The Court has subject matter jurisdiction over an action commenced by the United States under 28 U.S.C. § 1345, and over an action for forfeiture under 28 U.S.C. § 1355(a). This Court also has jurisdiction over this particular action under 18 U.S.C. § 981(a)(1)(A) and 18 U.S.C. § 981(a)(1)(C).

5. This Court has *in rem* jurisdiction over the Defendant Properties, pursuant to 28 U.S.C. § 1355(b)(1)(A), because acts or omissions giving rise to the forfeiture occurred in the district.

6. Venue is proper in this district, pursuant to 28 U.S.C. § 1355(b)(1)(A), because acts or omissions giving rise to the forfeiture occurred in this district. Also, venue is proper in this district, pursuant to 28 U.S.C. § 1355(b)(1)(B), incorporating 28 U.S.C. § 1395, because the action accrued in this district and the Defendant Properties were found in this district.

BASIS FOR FORFEITURE

7. The Defendant Properties are subject to forfeiture, pursuant to 18 U.S.C. § 981(a)(1)(A), because they constitute property involved in a transaction or an attempted transaction, in violation of Title 18 U.S.C. §§ 1956, 1957, and/or 1960, or are traceable to such property.

8. The Defendant Properties are subject to forfeiture, pursuant to 18 U.S.C. § 981(a)(1)(C), because they constitute or were derived from proceeds traceable to offenses constituting a “specified unlawful activity” as defined in 18 U.S.C. § 1956(c)(7), or a conspiracy to commit such offenses, that is, making a false statement for the purpose of influencing in any way the action of a financial institution, wire fraud, bank fraud, or conspiracy to commit wire or bank fraud.

BACKGROUND OF INVESTIGATION

9. John Michael Felts (“Felts”) used companies under his ownership or control, including Taco Habitat GMP LLC, Taco Habitat Branson LLC, Habitat Restaurant Holdings LLC, Cluck 2 LLC, Super’s Entertainment LLC, Diagnostic Equipment Inc., Sonic Werx LLC, White River Brewco LLC, E-8 Productions, LLC, and Concept Pro LLC, to carry out a scheme or artifice to complete false and fraudulent applications for Paycheck Protection Program (“PPP”) loans with qualified lenders working with the United States Small Business Administration (“SBA”).

10. To obtain a PPP loan, a qualifying business was required to submit a PPP loan application (SBA Forms 2483 and 2484), signed by an authorized representative of the business, to a lender that was participating in the PPP. The PPP loan application required the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications to be eligible to obtain the PPP loan.

11. One affirmative certification required the business to certify that it was in operation on February 15, 2020 and had employees to whom it paid salaries. Further, in the PPP loan application, the applicant (through its authorized representative) was required to state, among other things: (a) average monthly payroll expenses; and (b) number of employees. The figures provided were then used to calculate the amount of money the small business was eligible to receive under the PPP. Finally, the applicant was required to provide documentation showing its payroll expenses.

12. Economic Injury Disaster Loans (“EIDL”) are direct loans from the SBA without the involvement of private lenders. Borrowers apply online and the loan is intended to provide small business with working capital for fixed debts (such as rent or utilities), payroll, accounts payable, and other bills resulting from the pandemic. The maximum loan amount was \$150,000, which was increased to \$500,000 on April 6, 2021. Borrowers have up to 30 years to repay the loan and can receive no more than \$2 million for all affiliated businesses. Applicants could also receive a Disaster Loan Emergency Advance (“Grant”) of \$1,000 per employee up to \$10,000.

13. Records from SBA and financial institutions show that Felts applied for approximately 12 PPP loans using several different companies under his ownership or control. Most of these companies did not have employees and were not in operation at the time of

application, despite Felts stating that the companies did have employees and were operating at the time.

14. In addition, records revealed that Felts also applied for approximately 13 PPP loans using synthesized or fabricated identities and companies under his control. Experian, the credit reporting agency, has written about synthetic identity fraud and describes it as follows:

“Synthetic identity fraud occurs when criminals create new identities by mixing real and fictitious information. Once created, fraudsters will use their synthetic identities to apply for credit. They employ a well-researched process to accumulate access to credit. These criminals often know which lenders have more liberal identity verification policies that will forgive data discrepancies and extend credit to people who appear to be new or emerging customers.”¹

15. Felts used the loan proceeds to purchase the Defendant Properties, which are not eligible or authorized expenses under the terms of the PPP, EIDL, or Grant programs.

DEFENDANT PROPERTIES

16. As detailed below, Felts has used the proceeds from PPP loans, EIDLs, and Grants, to fund the purchase, or loan pay-off, of various pieces of personal property between May 2020 and November 2021.

Lexus RX350

17. In or about April 2020, Felts applied for a PPP loan for E-8 Productions LLC, with Celtic Bank. The address of E-8 Productions LLC provided on the application is 2802 Flintrock

¹<https://www.experian.com/blogs/insights/2021/01/solving-fraud-problem-synthetic-identity-fraud/>.

Trace, Suite 201, Austin, Texas. This address is a virtual office that will rent an address, as a mail handling service, and an executive conference room.² As part of the PPP application process, Felts provided documents filed with the Missouri Secretary of State's Office that showed the company was registered in the state of Missouri.

18. Felts made material misrepresentations to Celtic Bank as part of the PPP loan application process, including that the loan was for payroll and rent/mortgage and that E-8 Productions LLC had 32 employees. Felts certified to Celtic Bank that those statements were accurate and true.

19. On or about March 6, 2019, Felts, as the sole signer, opened account number ending 6735 in the name of E-8 Productions LLC at Southern Bank.

20. A PPP loan was disbursed to E-8 Productions LLC. Felts directed the loan proceeds of \$428,375.00 that were disbursed to E-8 Productions LLC to be deposited in the E-8 Productions LLC account number ending in 6735 at Southern Bank.

21. On or about June 3, 2020, Felts made similar material misrepresentations to the SBA as part of the EIDL application process, including that E-8 Productions LLC had 32 employees. As a result, the SBA deposited EIDL proceeds into the same account number ending 6735 at Southern Bank.

22. On or about May 1, 2020, Felts used the proceeds deposited to the Southern Bank account to fund check number 2101 in the amount of \$69,555.92 to Plaza Lexus in Creve Coeur, Missouri, for the purchase of a 2020 Lexus RX350 (VIN: 2T2HZMDA4LC241116), which was

² <https://www.flintrocksuites.com/virtual-office>.

sold to Vi Annette Obert and Felts; Vi Annette Obert is Felts' mother-in-law. The vehicle is registered to Vi Annette Obert³.

2020 Ford Transit Van (VIN: NM0LS7E21L1464162)

23. In or about April 2020, Felts applied for a PPP loan for Habitat Restaurant Holdings LLC, with Incredible Bank. In connection with the PPP application for Habitat Restaurant Holdings, Felts falsely represented that the business had 19 employees and an average monthly payroll of \$130,810.90.

24. Felts directed the loan proceeds of \$327,000.00 to be deposited in account number ending in 6318 in the name of Habitat Restaurant Holdings LLC at Incredible Bank.

25. On or about May 1, 2020, Felts, as the sole signer, opened account number ending in 6318 in the name of Habitat Restaurants Holdings LLC, at Incredible Bank. PPP loan proceeds were the only deposits to this account between the opening of the account and November 30, 2021.

26. Felts sent multiple wires totaling approximately \$298,484.90 between May 2020 and August 2020 to the account of Taco Habitat GMP LLC, number ending in 6792, at Southern Bank.

27. On or about June 1, 2020, Felts withdrew \$25,989 in PPP loan proceeds from the account number ending 6792 at Southern Bank to fund cashier's check number 12974 in the amount of \$25,984, made payable to Corwin Ford, for what was notated as a "catering van."

28. Corwin Ford records show that, on or about June 1, 2020, it sold a 2020 Ford Transit Van (VIN: NM0LS7E21L1464162) to Taco Habitat GMP LLC for \$25,984. The vehicle is registered to Taco Habitat GMP LLC.

³ The Missouri Department of Revenue shows this vehicle registered to "Annette Obert IV," which is believed to be a scrivener's error by that agency.

2020 Jeep Wrangler

29. In or about May 2020, Felts applied for a PPP loan for Taco Habitat Branson LLC with The Loan Source Inc. In connection with the PPP application for Taco Habitat Branson LLC, Felts falsely represented that the business had 26 employees and an average monthly payroll of \$124,000.

30. Felts directed the loan proceeds of \$310,000 to be deposited in account number ending in 3838 in the name of Taco Habitat Branson LLC at Hawthorn Bank on or about July 8, 2020.

31. Felts also obtained an EIDL for Taco Habitat Branson LLC, and in connection with that loan falsely represented that the business had 26 employees and gross revenue of \$980,000 and cost of goods sold of \$425,000 when the business was not in operation.

32. Felts directed that EIDL loan proceeds of approximately \$150,000 to be deposited into the account ending in 3838 in the name of Taco Habitat Branson LLC at Hawthorn Bank. The PPP loan and the EIDL were the only deposits between their disbursement through approximately November 15, 2020.

33. On or about July 25, 2020, Felts used the proceeds deposited to the Hawthorn Bank account to fund check number 1004 in the amount of \$58,594 to Corwin Dodge for a “Catering Vehicle.”

34. Corwin Dodge records show that on or about July 25, 2020, Felts used check number 1004 drawn on account ending in 3838 in the name of Taco Habitat Branson LLC to purchase a 2020 Jeep Wrangler (VIN: 1C4HJXFGXLW312762) for \$58,594 in his name.

35. On or about August 10, 2020, Jason Bucher registered and titled this vehicle with the Missouri Department of Revenue and submitted a signed affidavit from Felts indicating that

the Jeep was a gift, and that no money or other valuable consideration was involved in the transaction. The vehicle is registered to Jason Bucher.

2018 Cadillac CT6

36. In or about April 2020, a PPP application for Diagnostic Equipment Inc. was filed by “Peter Gollan” with Incredible Bank. In connection with the PPP application for Diagnostic Equipment Inc., “Peter Gollan” falsely represented that the business had 55 employees and an average monthly payroll of \$330,148.

37. On information and belief, “Peter Gollan” is a synthetic identity used by Felts.

38. The loan proceeds of \$869,200 were deposited into an account number ending in 5674 in the name of Diagnostic Equipment Inc. at Incredible Bank.

39. “Gollan” also submitted an EIDL Application on behalf of Diagnostic Equipment Inc. on or about June 18, 2020. As with the PPP loan, “Gollan” falsely represented that the business had 55 employees on the EIDL application. Additionally, he falsely represented that the company had gross revenue of \$975,000 and cost of goods sold of \$340,000, when the business was not in operation.

40. EIDL loan proceeds of approximately \$149,900.00 were deposited into the account number ending in 5674 in the name of Diagnostic Equipment Inc. at Incredible Bank. The only other deposits in this account through October 2020 were a \$10,000 SBA Grant and a \$5 deposit.

41. Between May and August 2020, multiple checks drawn on the Diagnostic Equipment Inc. account at Incredible Bank totaling \$1,027,084 were made payable to Sonic Werx LLC. These funds were deposited in the Sonic Werx LLC account number ending 6709 at Central Bank of the Ozarks. Felts was the sole signer on this account.

42. In or about May 2020, the PPP application for Sonic Werx LLC was filed by “Peter Gollan” with Celtic Bank. This application falsely represented that Sonic Werx LLC had 22 employees and an average monthly payroll of \$159,530.

43. The loan proceeds of \$398,825 were deposited into the same account number ending 6709 at Central Bank of the Ozarks as the Diagnostic Equipment proceeds previously referenced in this section.

44. “Gollan” also submitted an EIDL Application on behalf of Sonic Werx LLC on or about June 5, 2020. As with the PPP loan, “Gollan” falsely represented that the business had 22 employees on the EIDL application. Additionally, he falsely represented that the company had gross revenue of \$867,450 and cost of goods sold of \$127,878, when the business was not in operation.

45. EIDL loan proceeds of approximately \$149,900.00 were deposited into the Sonic Werx LLC account number ending in 6709 at Central Bank of the Ozarks.

46. On or between May 26 and June 12, 2020, Felts transferred a total of approximately \$39,176 of funds attributable to the aforementioned fraudulent PPP and EIDL loan proceeds to pay off a loan, account ending in 2330, which was secured by a 2018 Cadillac CT6 (VIN: 1G6KB5RS4JU124354.) The vehicle is registered to John Michael Felts and was seized from Mary Paulette Felts.

2021 Subaru Outback

47. On or between May 26 and June 12, 2020, Felts transferred approximately \$40,778 of funds attributable to the aforementioned fraudulent PPP and EIDL proceeds that were deposited in the Sonic Werx LLC account number ending 6709 at Central Bank of the Ozarks to pay off a

loan, account number ending in 0264, secured by a 2018 Jeep Wrangler (VIN: 1C4HJXFG6JW143143.)

48. On or about July 15, 2020, Kenny Felts, brother of John Michael Felts, registered or titled this vehicle with the Missouri Department of Revenue and submitted a signed affidavit from John Felts indicating that the Jeep was a gift, and that no money or other valuable consideration was involved in the transaction.

49. On or about July 28, 2020, Kenny Felts purchased a 2020 Jeep Wrangler (VIN: 1C4HJXFN4LW337736) from Corwin Dodge. Kenny Felts provided the 2018 Jeep Wrangler as a trade-in to Corwin Dodge.

50. Corwin Dodge gave Kenny Felts a \$37,500 trade-in allowance for the 2018 Jeep Wrangler. Felts paid the balance due after the trade-in with a check in the amount of \$20,134 for a “Catering Vehicle” that was drawn on Habitat Restaurant Holdings LLC account number ending in 2355 at Central Bank of the Ozarks. Proceeds from the EIDL of Habitat Restaurant Holdings LLC funded this check. Felts falsely claimed that Habitat Restaurant Holdings LLC had 19 employees, as was referenced in paragraph 23 for the PPP loan application.

51. On or about April 21, 2022, Kenny Felts purchased a 2021 Subaru Outback (VIN: 4S4BTAFC7M3207427) from Reliable Imports for \$35,400. Records from the Missouri Department of Revenue show that Kenny Felts traded in the 2020 Jeep Wrangler for this vehicle and received a \$44,500 trade-in allowance, and received approximately \$9,100 in cash back from this transaction. The 2021 Subaru Outback is registered to Kenny Felts.

2020 Ford Transit Van (VIN: NM0LS7E26L1468417)

52. In or about April 2020, Felts applied for a PPP loan for Cluck 2 LLC with Incredible Bank. In connection with the PPP application for Cluck 2 LLC, Felts falsely represented that the business had 18 employees and an average monthly payroll of \$111,363.77.

53. Felts directed the loan proceeds of \$278,400 to be deposited in account number ending in 6425 in the name of Cluck 2 LLC at Incredible Bank.

54. On or about May 1, 2020, Felts, as the sole signer, opened the Cluck 2 LLC account number ending in 6425 at Incredible Bank. PPP loan proceeds were the only deposits to this account between the opening of the account and November 30, 2021.

55. Felts sent multiple wires totaling approximately \$275,290 between May 2020 and July 2020 to the account of Cluck 2 LLC, number ending in 2347, at Central Bank of the Ozarks. Felts opened this account on or about April 30, 2020, as the sole signer.

56. On or about May 13, 2020, Felts wrote check number 1001 on an account belonging to Cluck 2 LLC, using funds attributable to the aforementioned fraudulent PPP and EIDL loan proceeds, in the amount of \$26,051 to Corwin Ford for a “Catering Van.”

57. Corwin Ford records indicate that Felts used check number 1001 to purchase a 2020 Ford Transit Van (VIN: NM0LS7E26L1468417) for \$26,051 in the name of Cluck 2 LLC. The vehicle is registered to Cluck 2 LLC.

2021 Galeon 470SKY Yacht (Habitat Restaurant Holdings LLC)

58. On or about May 6, 2021, Felts applied for a PPP Loan for Habitat Restaurant Holdings LLC, with Incredible Bank. In connection with the PPP application for Habitat Restaurant Holdings LLC, Felts falsely represented that the business had 28 employees and an average monthly payroll of \$115,229.86.

59. Felts directed loan proceeds of \$403,304 to be deposited in account number ending in 6318 at Incredible Bank.

60. Habitat Restaurant Holdings LLC account number ending in 6318 at Incredible Bank was opened around the time of the first PPP application, May 1, 2020. PPP loan proceeds were the only funds deposited to this account between the opening of the account and November 30, 2021.

61. Between May and August 2021, Felts wrote multiple checks on Habitat Restaurant Holdings LLC account number ending in 6318, payable to Taco Habitat. These checks were deposited in the Taco Habitat GMP LLC account number ending in 6792 at Southern Bank.

62. On or about June 11, 2021, Felts transferred \$25,000 of the aforementioned fraudulent PPP loan funds to his personal checking account, number ending in 5125, which, in turn, partially funded a wire in the amount of \$50,000 to MarineMax East in Lake Ozark, Western District of Missouri, with reference to “Purchase of New Boat from MarineMax” as the purpose.

63. Per records from MarineMax, this wire was combined with other funds and a personal loan to purchase a 2021 Galeon 470SKY Yacht, bearing Hull Identification Number GLN47015A121 for approximately \$1.3 million. The yacht is registered to 470 Sky LLC.

64. In or about April 2021, a second PPP application for Diagnostic Equipment Inc., was filed by “Peter Gollan” with Incredible Bank.

65. On information and belief, “Peter Gollan” is a synthetic identity used by Felts.

66. In connection with that loan application, the party that completed the PPP application provided false information regarding quarterly payroll for the employees of Diagnostic Equipment Inc.

67. Loan proceeds of \$1,054,494.80 were deposited into the Diagnostic Equipment Inc. account number ending in 5674 at Incredible Bank. Between May and July 2021, multiple checks were written to Sonic Werx LLC, totaling approximately \$906,937.42. These checks were deposited into the Sonic Werx LLC account number ending 6709 at Central Bank of the Ozarks.

68. On or about June 14, 2021, Felts transferred approximately \$213,000 to his personal account number ending 2401 at Central Bank of the Ozarks from the Sonic Werx account containing fraudulent loan proceeds. On or about the same day, Felts sent a wire from his personal account at Central Bank of the Ozarks to MarineMax East in Lake Ozark, Missouri, with reference to “Purchase of New Boat from MarineMax” as the purpose. Records from MarineMax show that this wire, along with other funds, were used in the purchase of the same 2021 Galeon 470SKY Yacht.

Baseball Memorabilia & Jewelry (Super’s Entertainment LLC)

69. In or about May 2020, a PPP loan application for Super’s Entertainment LLC was filed by “Tom Holland” with Fountainhead Small Business Funding. The application falsely represented that Super’s Entertainment LLC had 86 employees and average monthly payroll of \$464,449.

70. Upon information and belief, “Tom Holland” is a synthetic identity used by Felts.

71. Loan proceeds of \$1,161,100 were deposited into an account number ending in 6660 in the name of Super’s Entertainment LLC, at Central Bank of the Ozarks. Felts opened this account on or about May 11, 2020, as the sole signer.

72. The only other material deposits made in 2020 to this account were a \$149,900 EIDL, a \$10,000 Grant, and a \$50 transfer. “Holland” submitted the EIDL Application on or about June 18, 2020. As with the PPP loan, “Holland” falsely represented that the business had 11

employees on the EIDL Application. Additionally, he falsely represented the company had gross revenue of \$880,000 and cost of goods sold of \$470,000, when the business was not in operation.

73. In or about various dates in 2020, Felts used the proceeds from the aforementioned fraudulent PPP and EIDL loans to make approximately \$263,716 in payments to Chase credit card(s). These payments covered several credit purchases between June and December 2020, as described in Paragraphs 74 through 76.

74. On or about June 9, 2020, Felts purchased on a Chase credit card a two-tone Rolex Datejust 36mm watch (model number 72801, serial number 931C8733), a ladies' sterling silver cable cuff bracelet with pearl end caps made by David Yurman (item number B04182 SSDPEDI), and a ladies' sterling silver cable cuff bracelet with blue topaz end caps made by David Yurman (item number B04182 SSABTDIM), using the aforementioned PPP and EIDL proceeds.

75. On or about November 28, 2020, Felts purchased on a Chase credit card a 18k yellow gold Rolex (model number 69178, serial number 9155671) at a cost of \$9,205.41 from Mitchum Jewelers in Ozark, Missouri..

76. On or about December 21, 2020, Felts purchased on a Chase credit card two pieces of jewelry at a cost of \$4,842.43. Those pieces include a seven-inch white gold diamond bracelet featuring round brilliant cut diamonds with a total diamond weight of 0.25Ct and a pair of 18 Karat white gold, three-prong/martini style round brilliant cut diamond stud earrings with a total weight of 1.00Ct from Mitchum Jewelers in Ozark, Missouri.

77. On or about March 23, 2021, Felts made a payment of approximately \$13,041 to a Capital One credit card using the aforementioned PPP and EIDL proceeds. This payment was for the purchase of various pieces of sports memorabilia from Goldin Auctions in Runnemede, New Jersey, made on or about March 20, 2021.

78. Records from Goldin Auctions show that the purchase described in Paragraph 77 was for a 1952 Topps #312 Jackie Robinson baseball card, and a 1980-1981 Topps Larry Bird, Julius Erving, and Magic Johnson rookie card, signed by all three.

Jewelry (Cluck 2 LLC)

79. In or about April 2021, Felts applied for a second PPP loan with Incredible Bank for Cluck 2 LLC. In connection with the PPP application for Cluck 2 LLC, Felts falsely represented that the business had 18 employees and an average monthly payroll of \$86,763.39.

80. Felts directed the loan proceeds of \$303,577 to be deposited in account number ending in 6425 in the name of Cluck 2 LLC at Incredible Bank.

81. On or about May 1, 2020, Felts, as the sole signer, opened the Cluck 2 LLC account number ending in 6425 at Incredible Bank. PPP loan proceeds were the only deposits to this account between the opening of the account and November 30, 2021.

82. Felts wrote multiple checks between April and June 2021, totaling approximately \$215,171, which were deposited to the account of Cluck 2 LLC, number ending in 2347, at Central Bank of the Ozarks. Felts opened this account on or about April 30, 2020, as the sole signer.

83. On or about June 23, 2021, Felts initiated a payment of \$24,773.80 to his Apple Card registered under *diversifiedmusic@aol.com* which paid for credit purchases, including a \$16,783.42 purchase from Mitchum Jewelers in Ozark, Missouri on or about June 9, 2021.

84. Records from Mitchum Jewelers in Ozark, Missouri show that Felts purchased a ladies' platinum "RoyalT" Tacori eternity band featuring oval diamonds at a cost of \$16,783.42 on or about June 9, 2021. The following day, Felts returned this wedding band. Felts applied the refunded amount to the purchase of a new, ladies' platinum "RoyalT" Tacori eternity band (Item 180360-005).

Baseball Memorabilia (Diagnostic Equipment Inc.)

85. The Plaintiff repeats and incorporates by reference Paragraphs 64 through 67.

86. Between July and August 2021, Felts transferred approximately \$124,500 of these funds to the Cluck 2 LLC account number ending in 2347 at Central Bank of the Ozarks. He used these transfers, along with proceeds already in the account from Cluck 2 LLC's second round PPP loan, to make approximately \$38,827.89 in payments to Chase Credit Card(s), which paid for credit purchases, including a \$12,180.42 purchase from Goldin Auctions in Runnemede, New Jersey.

87. Records from Goldin Auctions indicate that Felts purchased a 1909-1911 Ty Cobb baseball card and a "2015-16 "Trio Autographs" Larry Bird/Magic Johnson/Julius Erving."

CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF

88. The Plaintiff repeats and incorporates by reference the paragraphs above.

89. By the foregoing and other acts, the Defendant Properties were involved in transactions or attempted transactions, in violation of Title 18 U.S.C. §§ 1956, 1957, or are property traceable to such property, and therefore, are forfeitable to the United States, pursuant to 18 U.S.C. § 981(a)(1)(A).

SECOND CLAIM FOR RELIEF

90. The Plaintiff repeats and incorporates by reference the paragraphs above.

91. By the foregoing and other acts, the Defendant Properties constitute, or was derived from, proceeds traceable to violations of Title 18, United States Code, Section 1014, that is, making a false statement for the purpose of influencing in any way the action of a financial institution, and therefore, is forfeitable to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C).

THIRD CLAIM FOR RELIEF

92. The Plaintiff repeats and incorporates by reference the paragraphs above.

93. By the foregoing and other acts, the Defendant Properties constitute, or was derived from, proceeds traceable to violations of Title 18, United States Code, Section 1343, that is, wire fraud, and therefore, is forfeitable to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C).

FOURTH CLAIM FOR RELIEF

94. The Plaintiff repeats and incorporates by reference the paragraphs above.

95. By the foregoing and other acts, the Defendant Properties constitute, or was derived from, proceeds traceable to violations of Title 18, United States Code, Section 1344, that is, bank fraud, and therefore, is forfeitable to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C).

FIFTH CLAIM FOR RELIEF

96. The Plaintiff repeats and incorporates by reference the paragraphs above.

97. By the foregoing and other acts, the Defendant Properties constitutes, or was derived from, proceeds obtained from a conspiracy to commit wire fraud, in violation of Title 18, United States Code, Section 371, and therefore, is forfeitable to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C).

SIXTH CLAIM FOR RELIEF

98. The Plaintiff repeats and incorporates by reference the paragraphs above.

99. By the foregoing and other acts, the Defendant Properties constitutes, or was derived from, proceeds obtained from a conspiracy to commit bank fraud, in violation of Title 18, United States Code, Section 371, and therefore, is forfeitable to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C).

WHEREFORE the United States prays that the Defendant Properties be forfeited to the United States, that the Plaintiff be awarded its costs and disbursements in this action, and for such other and further relief as the Court deems proper and just.

Respectfully submitted,

TERESA A. MOORE
United States Attorney

By: /s/ Anthony M. Brown
ANTHONY M. BROWN
Assistant United States Attorney
Missouri Bar No. 62504
901 East St. Louis St.
Suite 500
Springfield, Missouri 65806
Telephone: (417) 575-8167
Anthony.Brown2@usdoj.gov

VERIFICATION

I, Special Agent Karl Bolte, hereby verify and declare under penalty of perjury that I am a Special Agent with IRS-Criminal Investigation, that I have read the foregoing Verified Complaint *in Rem* and know the contents thereof, and that the factual matters contained in paragraphs nine through 87 of the Verified Complaint are true to my own knowledge, except that those matters herein stated to be alleged on information and belief, and as to those matters, I believe them to be true.

The sources of my knowledge and information and the grounds of my belief are the official files and records of the United States, information supplied to me by other law enforcement officers, as well as my investigation of this case, together with others, as a Special Agent of the IRS-Criminal Investigation.

I hereby verify and declare under penalty of perjury that the foregoing is true and correct.

Dated _____

Karl E. Bolte

Digitally signed by Karl E.
Bolte
Date: 2023.01.26
09:10:11 -06'00'

Karl Bolte
Special Agent
IRS-Criminal Investigation